

Statement of
FLORIDA CITRUS MUTUAL

Before the

**Committee on Agriculture
Subcommittee on Livestock and Horticulture
U.S. House of Representatives**

***The Future Direction of National Farm Policy
Concerning Fruits and Vegetables***

June 19, 2001

**Room 1300
Longworth Building
Washington, DC**

**By:
Andrew W. LaVigne
Executive Vice President and CEO
Florida Citrus Mutual
P.O. Box 89
Lakeland, FL 33801
(863)682-1111
(863)682-1074 (fax)**

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Mr. Chairman, Members of the Subcommittee, good morning. I am Andrew LaVigne, Executive Vice President and CEO of Florida Citrus Mutual, a grower cooperative association representing over 11,500 grower members of processed and fresh citrus products in Florida. I appreciate the opportunity to testify before you today regarding the reauthorization of the federal farm bill. We see this process, and eventual revision of the United States' farm policy, as a new and unique opportunity for the Florida citrus industry.

Our industry produces citrus on 850,000 acres in Florida. We are the number one producer of oranges for processing in the U.S. and number two in the world behind Brazil. We are the number one producer of fresh and processed grapefruit in the world. During the 1999-2000 season, Florida harvested 298 million field boxes of citrus representing 76% of the U.S. citrus production. Florida's citrus industry provides 27% of the state's total farm receipts. Of the citrus harvested, 89% was processed into juice and the remainder was sold as fresh fruit. We have in excess of \$8 billion dollars worth of economic impact on our state.

Most of Florida's producers are third and fourth generation citrus growers who would prefer to pass that legacy on for many generations to come.

If you consider the number of acres we have in production, we offer an invaluable environmental benefit to the fragile ecosystem of Florida. Our groves provide ideal habitat to wildlife and endangered species; we combat exotic and noxious weeds; we provide needed rainwater recharge and storage; as well as many other benefits.

Unfortunately, we are now completing a season that will likely prove to be the most economically devastating we have experienced in over 20 years. The on-tree value of this year's crop is estimated at \$805 million, which would be down 30%, or \$350 million, from last year and the lowest value crop since the 1985-86 season. Much like growers

across this nation, Florida's citrus growers cannot afford to have too many more seasons like this one.

Mr. Chairman, as you will no doubt hear several times today, farm gate receipts for the produce industry are reaching \$30 billion. The fruit and vegetable sector is a strong and viable part of the U.S. agriculture industry and a vital part of the diet of America's citizenry. I will not attempt to repeat much of the testimony you heard earlier, but I will offer some suggestions on revisions to our farm policy that will help citrus, as well as the fruit and vegetable industry, remain a strong part of American agriculture.

Federal Farm Programs

Florida Citrus Mutual played an active role in the United Fresh Fruit and Vegetable Association's (UFFVA) Farm Bill Working Group and we support a majority of the proposals contained within the statement presented to the House Agriculture Committee on May 2, 2001. However, there are a few areas of specific interest to Florida's citrus growers and I would like to highlight those at this time.

Most importantly, we strongly support the working group's overall farm policy goal:

"Federal farm policy should be developed for the produce industry which ensures good producers are not put out of business due to forces beyond their control. Congress should utilize the Farm Bill to allocate funding that ensures the produce industry receives a proportionate share of the outlays of our industry program priorities. This investment would fund program priorities including: conservation incentives; loan mechanisms; nutrition; international market access and food aid; pest and diseases prevention initiatives; marketing and fair trading priorities; risk management tools; infrastructure investments; research priorities; food safety initiatives, and other initiatives."

With respect to actual farm programs for fruit and vegetable growers, I want to state that many industry umbrella organizations have presented proposed farm bill programs for the industry. Given the breadth and diversity of these programs, we are currently still evaluating them for their potential impact on our growers. So, at this time, we are not prepared to provide a position of support or opposition to any programs that may be established specifically for the fruit and vegetable industry.

However, I would like to add that, from a conservation perspective, the citrus industry, as well as other perennial crops, provide a unique benefit to our environment. Citrus trees are planted with the expectation of a twenty to twenty five year productive lifespan. Growers do not plant groves in anticipation of changing crops next year or in five years. This extended productive life greatly benefits this nation's air, land and water resources.

Other benefits to the environment from citrus production are:

- On sandy soils, land that remains planted in citrus provides significant water recharge to the Floridian aquifer, Florida's main source of drinking water.
- This planted acreage reduces the spread of noxious and exotic weeds.
- Citrus trees provide an important CO₂ exchange function for the environment.
- Land planted in citrus provides a rich wildlife habitat (especially for threatened and endangered species requiring large areas such as the Florida Panther).
- Development mitigation – decrease infrastructure and sprawl.

In general, agrochemical inputs on citrus land are non-intensive and comparatively minimal over the course of one season to the next.

The conservation program concept is attractive to our growers because of the greenbox nature of such programs under WTO guidelines.

Federal Nutrition Programs

The greatest opportunity the U.S. Congress has to impact the health of all Americans is to work to improve the dietary education and eating habits of our citizens. We hear on a daily basis about the benefits of consuming “five fruits and vegetables a day” for promoting health, preventing disease, and improving our overall quality of life. Therefore, agriculture policies related to nutrition programs should support strategies that help Americans reach national health goals and ultimately reduce health care costs.

The Florida citrus industry has spent a great deal of grower dollars to research the health benefits of Florida orange juice and fresh citrus products. Those benefits are supported by the American Cancer Society, American Heart Association, and the March of Dimes. It is imperative that the policies proposed in the Farm Bill reflect these benefits.

One key area of interest to us, under the federal nutrition programs is language that seeks to optimize the amount of 100% fruit juice, fresh fruits and vegetables provided under the USDA feeding programs (including School Breakfast, School Lunch, Child and Adult Care, TEFAP, FDPIR, Elderly Nutrition Programs, and CSFP). Incentives should be included in the legislation to encourage states to purchase domestically grown commodities.

Agricultural Research

Sound, progressive agricultural research is the key to the Florida citrus industry remaining competitive in this global environment. The demands on growers have

increased dramatically over the last decade and new, innovative production practices must be researched and refined in order to keep the industry in production.

The U.S. citrus industry has been working together to coordinate and consolidate research across the country. Through cooperative funding and research, USDA-ARS, USDA-CSREES, land grant universities and other interested entities are seeking to find solutions to challenges such as: improved harvesting efficiencies; the prevention, detection and eradication of exotic pests and diseases; improved production and harvesting systems; new pest and disease resistant varieties; increased research on the nutritional benefits of 100% orange and grapefruit juice, and fresh citrus products; and many other areas of research. The research title of the farm bill should strongly support such nationally coordinated research efforts.

The fruit and vegetable industry is under siege from exotic pests and diseases being introduced into this country. Just over the last few years, we have seen introductions that have devastated growers and created a public relations nightmare for USDA, state departments of agriculture and the impacted industries. We simply cannot allow these introductions to continue and research is the key to ensuring the risk of introducing exotic pests and diseases is dramatically curtailed.

Our main recommendation under the research title is to establish a \$10 million revolving account that would provide matching dollars to commodities seeking to improve harvesting efficiencies by developing mechanical harvesting machines and abscission chemical products.

The Florida citrus industry is currently spending in excess of \$2 million a year to develop such equipment and chemicals. USDA spent a great deal of time and money in the 1950's and 1960's to improve harvesting for major commodities and has since basically suspended the program. Cooperative research and funding between producers, USDA, state universities, and private entities must be reinstated in order for producers to stay competitive with countries whose growers pay labor on a *per day* basis the equivalent of what Florida producers have to pay labor on a *per hour* basis. Enactment of legislation authorizing funding and directing the ARS and CSREES to conduct research in the areas of mechanized harvesting and new production and processing methods for fresh and processed fruits and vegetables is also important.

Pest and Disease Exclusion Policy

The Florida citrus industry strongly supports the continued efforts by members of Congress to implement legislation that enacts the 300+ recommendations contained in APHIS' "*Safeguarding American Agriculture Report*." It is vitally important that we update our procedures for pest and disease detection, interdiction and eradication. As I stated earlier, American agriculturalists cannot continue to sustain the losses they have incurred through the introduction of foreign pests and diseases.

It is our hope that given the extremely high cost of eradicating citrus canker, plum pox virus, Pierces disease, Asian long horn beetle, and other diseases, the USDA, Congress and state governments will realize that strong interdiction and detection programs are much cheaper than eradication programs.

In addition to general research, our specific legislative recommendations in this area are:

- Enact a provision that establishes a \$50m revolving emergency eradication/research fund. This will enable USDA-APHIS to address pest and disease interdiction and eradication programs under the direction of the Secretary.
- Enact a provision that sunsets Sect. 917(5) of the FAIR Act allowing for all user fees collected under the Agricultural Quarantine Inspection (AQI) program to be utilized by the AQI program.

International Market Access and Food Aid Programs

The Florida citrus industry has benefited greatly from the Market Access Program over the last decade. The MAP program, and its successor programs, have enabled growers to develop and compete in international markets against commodities that are greatly subsidized by foreign governments.

These programs must continue, in a modified form, in order for the fruit and vegetable industry to participate and take advantage of the international markets that our government has worked so diligently to open.

Our recommendation for the trade title is the enactment of legislation to increase funding authority for the Market Access Program (MAP) from \$90 million to \$200 million. In addition, the MAP program should be altered to provide flexibility in expanding the five-year stipulation for international product promotions under the MAP based on existing market access and trade barriers.

Risk Management

Since the passage of the Agricultural Risk Protection Act (ARPA) by the 106th Congress, the industry is aggressively working with RMA to develop innovative, flexible risk management programs that are more suitable for citrus growers. Tree insurance, fruit insurance and revenue plans are all in various stages of development and modification.

The Farm Bill needs to reiterate Congress' support of the provisions of ARPA and encourage RMA to move as expeditiously as possible to implement those provisions.

Conclusion

In closing, one key message that the Florida citrus industry has asked me to impart on this subcommittee, and the Agriculture Committee as a whole, as you move forward in reviewing and reauthorizing the federal farm bill, is that a sound, domestic supply of fruits, vegetables and 100% fruit juices is important to our nation's economy, security, and health. We ask that you consider our recommendations for the 2002 Farm Bill in a favorable light. Our industry, like all other agriculture industries across this country, is striving to remain competitive in an increasingly global marketplace. The policies enacted in this new farm bill will lay the groundwork for the long-term viability and sustainability of our industry.

I appreciate the opportunity to testify before you on behalf of Florida's citrus growers. We stand ready to assist you in this process in order to come to a conclusion that is favorable to the fruit and vegetable industry, as well as U.S. agriculture in total.

Thank you.